

**TOWN OF GRANBY
BOARD OF FINANCE
REGULAR MEETING
MINUTES
MARCH 25, 2013**

PRESENT: Michael Guarco, Chairman; Gordon Bischoff, Francis Brady, Robert Clark, Frederick Moffa, OD; and Al Wilke

Also present: Board of Selectmen: John E. Adams, First Selectman; B. Scott Kuhnly, Mark C. Neumann; William F. Smith, Jr., Town Manager; Roger Hernsdorf, Town Treasurer; Barbarajean Scibelli, Administration Finance Officer; Board of Education: Chairman Cal Heminway, Edward Ohannessian, Rosemarie Weber, Ron Walther, Alan Addley, Superintendent of Schools; and Harry Traver, Business Manager

Chairman Guarco confirmed a quorum and called the regular meeting to order at 7:00 p.m.

MINUTES

The Board reviewed the minutes for the meeting of February 25, 2013.

ON A MOTION by Mr. Bischoff seconded by Mr. Clark, the Board voted unanimously 6-0-0 to approve the minutes of February 25, 2013 as presented.

STATEMENT OF ACCOUNTS

Harry Traver, BOE Business Manager, reported on the February Statement of Accounts. He reported the overall budget shows a favorable amount of \$200,000 with \$75,000 for security improvements to be done this year. BOE would like the Board of Finance to agree up to \$300K into the small capital fund to finance security improvements going forward.

Town Manager Smith indicated the overall accounts are holding fairly well. He reported tax collection revenues are at 100%. On the intergovernmental revenue side, several grants have been received showing an excess in the miscellaneous state account. A shortfall from Short Term Investments is expected. Legal Services will need a transfer of approximately \$10,000 - \$15,000 and Police Operations may need a transfer as well. Correspondence has been exchanged regarding the storm reimbursement from Storm Sandy (February 8-9, 2013) increasing the hours for reimbursement from 48 to 72.

Chairman Guarco requested a status of the Kelly Lane School project. The Department of Education is requesting a refund of money because the reimbursement percentage based on projected class size, now ten years following approval and completion of the Kelly Lane School project, does not agree with original estimates. Town Manager Smith responded and Mr. Traver confirmed the State Department of Education is reviewing and letters have been sent to our legislative representatives requesting that special legislation be introduced to exempt the town from the discrepancy in class size since the State Department of Education assisted with the projection.

2011-2012 BUDGETS FROM THE BOARD OF EDUCATION AND BOARD OF SELECTMEN

A slide presentation of the Board of Education (BOE) budget was made by Board of Education Chairman Cal Heminway. The BOE operating budget is an increase of 2.1%, which met the Board of Finance guideline.

He highlighted the following items:

- Several drivers were identified in creating the budget. These drivers were Special Education (SPED) review, complete intermediate world language implementation, declining enrollment, state economic woes, secondary school reform mandates, personnel reductions, maintain positive district trajectory, technology implementation, district operating efficiencies, and regional cooperation.
- State revenues are: education cost sharing - \$5,507,971, adult education - \$3,051, special education—excess cost grant - \$227,974
- Local (other) revenues are: tuition-other towns regular education - \$801,856, tuition-other towns special education - \$235,000, rental fees - \$75,000, pay-for-participation fees - \$50,300
- BOE operating budget request is \$27,762,000. The percentage of the operating budget is made up of 63.8% for regular education (salaries and benefits); 3.0% for utilities; 3.0% for buses; 3.3% for building maintenance, legal, insurance, and miscellaneous; 7.5% for supplies, purchased services, and student activities; 5.6% for other special education costs; and 13.6% special education salaries and benefits.
- Major Changes FY2014 vs. FY2013 – percentage of total budget increase is 2.07% or \$564,168 in the categories of salaries, benefits, software, books, special education (tuition and transportation), utilities, severance, CCSS and teacher/administration evaluation, and other.
- School safety issue budget is \$150,000 - \$300,000 in Fiscal Year 2013 and \$9,720 in Fiscal Year 2014. Security measure implementation began several years ago.
- Budget summary is:

Operating Budget Request	\$27,762,000
Small Capital Fund	\$600,000
Quality and Diversity Fund	\$656,932
Total	\$29,018,932

First Selectman Adams presented the transmittal letter of the Board of Selectmen's FY 2014 budget, which was distributed to the Board of Finance in advance. The budget showed:

REVENUE BUDGET

Property Tax (excl. Current Levy)	\$595,000
Intergovernmental Revenues	6,991,298
Local Departmental and Fund Revenues	2,013,242
TOTAL	\$9,599,540

EXPENDITURE BUDGET

Administration	\$3,448,664
Personal & Property Protection	2,417,507
Public Works & Environment	2,896,347
Libraries, Recreation, & Social Services	832,907
Capital Budget	1,000,000
Economic Development Funds	10,000
Debt Service	3,467,543
TOTAL	\$14,072,968

OTHER FUNDS BUDGET along with the **2014-2023 CAPITAL IMPROVEMENT PROGRAM**

Dog Fund	\$15,000
Recreation Events	\$354,000
Sewer Utility Fund	\$156,000
Capital Equipment/Improvement	\$1,328,324
Education Quality & Diversity	\$656,932
2014-2023 Capital Improvement Program	(detail in Budget document)

Highlights mentioned by the First Selectman were:

- The town operating budget increase is 2.96%, which met the Board of Finance guideline.
- A detective/youth service officer is included in this budget. The last time a position was added was over 12 years.
- Two union contracts are in negotiations and the estimated dollar amount to handle the contracts is placed in contingency until the contracts are settled.
- \$45,000 is added to police operations and communications to manage overtime, which has been short for the past several years but was compensated from regular payroll because of staff shortages.
- With the town taking over Holcomb Farm in mid-year, we continue to work on a rough budget to handle the operations of Holcomb Farm.
- The Library services have yet to be restored to what it was in 2010.
- Repaving Silver Street and Harvey Drive have been pushed back another year because of lack of funds. The cost is approximately \$150,000.
- Premiums received from the recent sale of bonds can be used for debt service payments with a transfer from project bond premiums.

An inquiry was made concerning the new debt service being paid directly from premiums received from our recent bond sale. Our auditors indicated that debt service amounts belong to the General Fund and therefore should be transferred from the General Fund as opposed to being directly paid from the project bond premium amounts.

Chairman Guarco discussed the Board of Finance Budget Worksheet Rev 2 (attached) that included an additional \$12,000 in Board of Selectmen expenditures for Library Services to assist restoration of previous cuts made to library services and hours and an additional \$150,000 to be added to the Capital Budget for road construction (Silver Street and Harvey Drive) resulting from added funds for Town Aid Road and LoCIP per the budget proposed by the Governor. An amount of \$50,000 is suggested to be removed from the Capital Budget designated for the new Pond House. Since there are sufficient funds from other projects, the money can be paid from the project. An amount of \$106,000 to CNEF in the Board of Selectmen expenditure budget is also to be added for debt set-asides. This worksheet proposes a 2.0% mill rate increase for the FY 2013-14 Budget.

Chairman Guarco inquired about the other Finance Board member's views of the presented budget. The Board of Finance's consensus of the budget was that they fully supported the budgets, as presented, with the above changes noted in the Board of Finance Worksheet Rev 2.

ON A MOTION by Gordon Bischoff, seconded by Al Wilke, the Board voted to approve the Board of Selectmen and Board of Education's budgets as presented on the Board of Finance Worksheet Rev 2 and to forward it to Public Hearing scheduled for April 8, 2013. Included on the worksheet was an additional \$12,000 in Board of Selectmen expenditures for Library Services to assist restoration of previous cuts

made to library services and hours and an additional \$150,000 is also to be added to the Capital Budget for road construction (Silver Street and Harvey Drive) resulting from added funds for Town Aid Road and LoCIP per the budget proposed by the Governor. An amount of \$50,000 is to be removed from the Capital Budget designated for the new Pond House for the FY 2013-2014 Budget. An amount of \$106,000 to CNEF in the Board of Selectmen expenditure budget is also to be added for debt set-asides. The Board voted unanimously 6-0-0 to approve the motion.

ADJOURNMENT

Chairman Guarco announced that a public hearing on the proposed budget is scheduled for April 8, 2013 at 7:00 p.m. in the High School Auditorium. A Special Meeting of the Board of Finance will be held on April 8, 2013 at 8:00 p.m. or immediately following the public hearing on the 2013-14 proposed town budget.

ON A MOTION by Gordon Bischoff, seconded by Al Wilke, the Board voted unanimously 6-0-0 to adjourn the meeting at 8:50 p.m.

Respectfully submitted,

Patricia I. Chieski
Recording Secretary

Board of Finance Budget Worksheet

FY14 (Rev 2)

	FY11 (Adopted)	FY12 (Adopted)	FY13 (Adopted)	FY14	FY15	FY16	FY17	FY18	FY19
Expenditures (BOS)									
Operating	8,762	8,993	9,173	9,607	9,848	10,095	10,348	10,607	10,873
		2.63%	2.00%	4.73%	2.50%	2.50%	2.50%	2.50%	2.50%
Other									
Existing Debt Service	4,036	3,442	3,305	3,468	3,386	3,761	3,653	3,545	3,436
CNEF	250	130	95	106	200	300	400	500	600
ED Fund	10	10	10	10	10	10	10	10	10
Small Cap	765	930	1100	1000	1,050	1,100	1,150	1,200	1,250
Subtotal (Other)	5,061	4,512	4,510	4,584	4,646	5,171	5,213	5,255	5,296
		-10.84%	-0.04%	1.64%	1.35%	11.30%	0.81%	0.80%	0.78%
BOS Subtotal	13,823	13,505	13,683	14,191	14,494	15,266	15,561	15,862	16,169
		-2.30%	1.31%	3.71%	2.13%	5.32%	1.93%	1.93%	1.93%
Expenditures (BOE)									
Operating	26,667	26,982	27,198	27,762	28,318	28,885	29,463	30,053	30,655
BOE Subtotal	26,667	26,982	27,198	27,762	28,318	28,885	29,463	30,053	30,655
		1.18%	0.80%	2.07%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Expenditures	40,490	40,487	40,881	41,953	42,812	44,151	45,024	45,915	46,824
		0.00%	0.97%	2.62%	2.04%	3.12%	1.97%	1.97%	1.97%
Revenue									
Property Tax	30,193	30,717	31,601	32,342	33,367	34,406	35,438	36,429	37,488
%GL	0.55%	0.68%	0.90%	0.34%	0.50%	0.50%	0.50%	0.50%	0.50%
%Mill	1.12%	1.04%	1.96%	2.00%	2.65%	2.60%	2.49%	2.29%	2.40%
Auto, etc	565	595	595	595	595	600	600	600	600
Intergovernmental	6,767	6,940	6,750	7,003	7,003	7,003	7,003	7,003	7,003
Debt Rev	276	0	0	0	0	0	0	0	0
Local Rev	784	748	671	758	733	708	683	683	683
Use of GF Surplus	1655	1357	1169	1000	850	700	600	500	400
Use of CNEF	250	130	95	255	264	734	700	700	650
Addition Feed (Gap)	0	0	0	0	0	0	0	0	0
Total Revenue	40,490	40,487	40,881	41,953	42,812	44,151	45,024	45,915	46,824
		0.00%	0.97%	2.62%	2.04%	3.12%	1.97%	1.97%	1.97%